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DEPARTMENT FOR INR/R/MR, EAP/TC, EAP/PA, EAP/PD - ERIC BARBORIAK
DEPARTMENT PASS AIT/WASHINGTON

SIPDIS

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SUBJECT: MEDIA REACTION: U.S.-TAIWAN RELATIONS

¶1. Summary: Taiwan's major Chinese-language dailies focused their coverage June 9 on the pan-Blue and pan-Green camps' moves in the wake of President Chen Shui-bian's decision to relinquish some of his powers; AIT Chairman Raymond Burghardt's visit to Taiwan; the Taiwan stock market's dive on Thursday; and investigations into the questionable gifts received by First Lady Wu Shu-chen. The pro-status quo "China Times" front-paged that "Lee Teng-hui Supports Bian to Step Down, Lu's Succession, and Wang to Head Cabinet." The pro-independence "Liberty Times," Taiwan's biggest daily, however, ran a front-page banner headline that said "Lee Denies He Wants Bian to Step Down." The "China Times" ran a news story on page two that said "Setting Up Fire Wall, Bian Starts to Launch Big Counterattack;" and ran a banner headline on page three that read "Lu Will Adhere to Three Principles If She Succeeds [Chen]: Respecting the Constitutional System; Will Not Announce Taiwan Independence; and Will Be Caretaker President."

All papers gave extensive coverage to Burghardt's meeting with President Chen Thursday. Several papers said Chen reiterated his "Four No's" pledge to win U.S. support, while some said Bian told Burghardt that even though he has relinquished some of his powers, his presidential powers remain unchanged. The "Liberty Times" ran a banner headline on page two that said "Meeting with Burghardt and Talking about Current Disputes, Bian Is Confident That He Can Get Over Recall Crisis." The same paper also quoted Burghardt on page five as asking why there are opposition parties in Taiwan that do not care about the island's national defense. The "China Times" ran a banner headline on page three that read "United States Conveys Three Major Messages to Bian: [Recent Scandals] Should Be Dealt with According to Law; No Cross-Strait Incidents; Bloody Confrontations Must Be Avoided."

¶2. In terms of editorials and commentaries, a "China Times" editorial criticized Chen for trying to fight back and safeguard his presidency immediately after he announced last week that he would relinquish some of his powers. A "United Daily News" analysis said Chen has no other choice now but to befriend the United States in an attempt to meet the pan-Blue camp head-on. An editorial in the limited-circulation, conservative, pro-unification, English-language "China Post" urged Chen to resign to avoid social unrest. End summary.

A) "Having Just Relinquished Powers, [Chen] Immediately Starts to Fight back in Full Gear"

The pro-status quo "China Times" [circulation: 400,000] editorialized (6/9):

"... In addition to making remarks so that the scandals will not burn up to himself, Chen Shui-bian is also doing several things simultaneously to safeguard his presidency. On one hand, he joined

with powers inside the DPP to resist Annette Lu, who is moving busily in preparation for action, and on the other hand, he reiterated the Four No's pledge to the United States, hoping to win Washington's support. But for Lu, now is an unexpected window of opportunity; if she fails to seize this opportunity to take over the presidency, it will never be her turn when it comes to the DPP's nomination two years from now.

"Chen has made careful calculations, and he believes that his move to relinquish some of his powers will put the other Green leaders in a tenuous balance of terror and sow discord inside the Blue camp. This strategy has indeed produced certain effects, but they lasted for just a while. The anti-Bian camp quickly re-organized and concentrated and has gained new momentum. The calculating Chen always believes he can maneuver through a gate, but he didn't realize that he is stuck in a tunnel that narrows down. He fails to realize that he has incurred widespread indignation and discontent, which might force him to step down in the end. Neither did it ever occur to him that his move to proactively relinquish some of his powers has unexpectedly reminded the public that resigning may be a viable option for him. As a result, those who believe that he should proactively step down quickly soared from 34.4 percent to 47.4 percent. Chen may likely face an embarrassing situation if he still tries to mobilize people in an attempt to protect himself. ..."

B) "Bian Has No Choice but to Befriend United States to Meet Blue Camp Head-on"

Journalist Sean Liu commented in an analysis in the pro-unification "United Daily News" [circulation: 400,000] (6/9):

"... Chen Shui-bian, who is deeply involved in the suspected scandals surrounding the First Family, knows very clearly that the pressure he faces now does not come only from the pan-Blue camp. The public's outrage toward the First Family has reached a boiling point, and even some members within the pan-Green camp criticized him harshly. This is exactly why he had to relinquish some of his powers. Bian, who is under severe attack from both sides inside Taiwan, finds it difficult to take pressure from outside Taiwan, in particular, from the United States. He thus has no other choices but to befriend the United States so as to be able to meet the pan-Blue camp head-on. ..."

"Raymond Burghardt's visit offered Chen a chance. Bian had been unwilling to clearly reiterate the 'Four No's' pledge in the wake of the 'cessation of the National Unification Council.' Having stayed firm for a few months, Chen proactively yielded Thursday, articulating his pledge to Washington via Burghardt, in an attempt to make a friendly gesture and hope that the United States will trust that he is predictable and that supporting him to stay on will best meet U.S. interests. ..."

C) "To Avoid Social Unrest, Chen May Have to Resign"

The conservative, pro-unification, English-language "China Post" [circulation: 30,000] (6/9):

"President Chen Shui-bian, who has been mired in a political crisis since the detention last month of his son-in-law Chao Chien-ming over multiple scandals, now must consider resigning to avert a wave of political and social turmoil that could plunge Taiwan into unprecedented difficulties. ... The various alleged crimes committed by the president's son-in-law alone would not have angered opposition politicians and the public so much as to demand his resignation. His past abuses of power that prompted consistent political confrontations; his failure to fight corruption that has permeated through the first family, the Presidential Office and major government departments; and his inability to manage the economy all have contributed to the current outburst of public anger."

YOUNG